



# Kentucky Retirement Systems

## Quarterly Investment Update

Pension Fund  
December 31, 2010

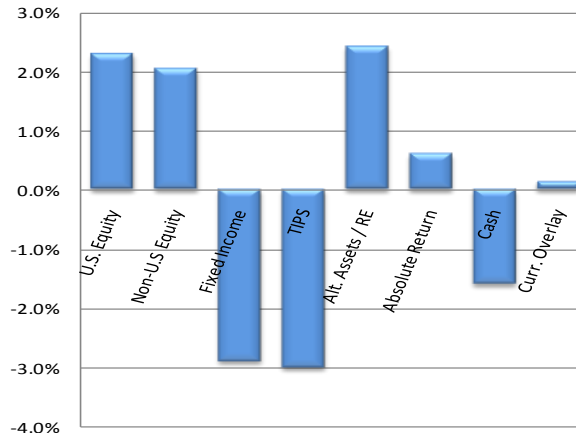
### Kentucky Retirement Systems Quarterly Investment Update

December 31, 2010

PENSION	QTD	Fiscal Y-T-D	1 Yr Ended	3 Yrs Ended	5 Yrs Ended	10 Yrs Ended
<b>Total Fund</b>						
KRS	5.74%	13.54%	12.93%	0.93%	4.55%	4.78%
Blended Index	5.61%	14.93%	12.44%	1.53%	4.73%	4.74%
<b>Equities</b>						
Domestic Equities	12.00%	24.86%	17.58%	-1.63%	3.14%	2.47%
Performance Benchmark	11.80%	24.51%	17.53%	-1.65%	2.97%	2.68%
Non-U.S. Equities	7.93%	24.90%	12.67%	-2.39%	5.09%	4.58%
Performance Benchmark	7.67%	25.68%	12.35%	-4.18%	4.50%	4.94%
Total Equities	10.29%	24.84%	15.44%	-1.89%	3.72%	3.18%
Performance Benchmark	10.16%	24.86%	15.41%	-2.81%	3.19%	3.18%
<b>Fixed Income</b>						
Core Fixed Income	-1.28%	1.52%	7.33%	4.36%	4.72%	5.35%
Performance Benchmark	-1.29%	1.16%	6.56%	5.91%	5.75%	5.88%
TIPS	-0.88%	1.90%	6.45%	5.15%	5.45%	6.73%
Performance Benchmark	-0.65%	1.82%	6.31%	4.97%	5.33%	6.69%
Total Fixed Income	-0.68%	2.16%	7.59%	4.87%	5.13%	5.83%
Performance Benchmark	-1.10%	1.35%	6.50%	5.68%	5.68%	6.17%
<b>Real Estate</b>						
KRS	3.41%	10.67%	14.80%	5.53%	5.53%	5.53%
Performance Benchmark	3.86%	7.30%	5.83%	-2.26%	-2.26%	-2.26%
<b>Absolute Return</b>						
KRS	1.18%	0.62%	-0.81%	-0.81%	-0.81%	-0.81%
Performance Benchmark	1.60%	3.72%	5.77%	5.77%	5.77%	5.77%
<b>Alternatives</b>						
KRS	4.24%	5.51%	16.78%	-1.86%	3.92%	10.44%
Performance Benchmark	7.99%	18.34%	16.19%	2.98%	5.32%	6.12%
<b>Cash</b>						
KRS	0.10%	0.26%	0.89%	1.64%	3.20%	3.60%
Performance Benchmark	0.03%	0.06%	0.10%	0.69%	2.30%	2.25%

**Actual V. Target Deviation**  
Pension as of 12/31/10

	\$'s (millions)	Actual %	Target %	Diff
U.S. Equity	\$3,690	32.3%	30.0%	2.3%
Non-U.S. Equity	\$2,517	22.0%	20.0%	2.0%
Fixed Income	\$2,525	22.1%	25.0%	-2.9%
TIPS	\$799	7.0%	10.0%	-3.0%
Alt. Assets / RE	1,648	14.4%	12.0%	2.4%
Absolute Return	69	0.6%	0.0%	0.6%
Cash	160	1.4%	3.0%	-1.6%
Curr. Overlay	16	0.1%	0.0%	0.1%
Total	\$11,424	100.0%	100.0%	0.0%





# Kentucky Retirement Systems

## Quarterly Investment Update

Insurance Fund  
December 31, 2010

Kentucky Retirement Systems Quarterly Investment Update						
December 31, 2010						
INSURANCE	QTD	Fiscal Y-T-D	1 Yr Ended	3 Yrs Ended	5 Yrs Ended	10 Yrs Ended
<b>Total Fund</b>						
KRS	7.83%	17.90%	13.25%	-1.55%	3.68%	4.38%
Blended Index	8.03%	20.33%	13.28%	-1.42%	3.58%	3.76%
<b>Equities</b>						
Domestic Equities	13.40%	29.14%	19.62%	-1.69%	3.17%	2.84%
Performance Benchmark	11.23%	23.90%	16.44%	-2.12%	2.69%	2.03%
Non-U.S. Equities	7.52%	23.97%	11.02%	-3.44%	5.15%	5.57%
Performance Benchmark	7.24%	24.88%	10.60%	-4.84%	4.06%	4.72%
Total Equities	11.16%	27.18%	16.31%	-3.12%	3.12%	3.41%
Performance Benchmark	9.53%	24.35%	14.01%	-3.41%	2.74%	2.59%
<b>Fixed Income</b>						
TIPS	-0.79%	1.89%	6.38%	5.12%	5.41%	6.78%
Performance Benchmark	-0.65%	1.82%	6.31%	4.97%	5.33%	6.72%
<b>Real Estate</b>						
KRS	4.16%	13.16%	18.37%	6.08%	6.08%	6.08%
Performance Benchmark	3.86%	7.30%	5.83%	-2.26%	-2.26%	-2.26%
<b>Absolute Return</b>						
KRS	1.18%	0.62%	-1.34%	-1.34%	-1.34%	-1.34%
Performance Benchmark	1.60%	3.72%	5.77%	5.77%	5.77%	5.77%
<b>Alternatives</b>						
KRS	6.03%	9.66%	17.84%	-0.19%	3.86%	6.01%
Performance Benchmark	9.60%	21.11%	16.36%	0.44%	4.02%	4.15%
<b>Cash</b>						
KRS	0.06%	0.12%	0.26%	0.94%	2.83%	2.84%
Performance Benchmark	0.03%	0.06%	0.10%	0.69%	2.29%	2.25%

**Actual V. Target Deviation**  
Insurance as of 12/31/10

	\$'s (millions)	Actual %	Target %	Difference
U.S. Equity	\$1,250	43.5%	40.0%	3.5%
Non-U.S. Equity	733	25.5%	30.0%	-4.5%
TIPS	282	9.8%	12.0%	-2.2%
Alt. Assets / RE	247	8.6%	15.0%	-6.4%
Absolute Return	29	1.0%	0.0%	1.0%
Cash	329	11.4%	3.0%	8.4%
Curr. Overlay	5	0.2%	0.0%	0.2%
Total	\$2,876	100%	100%	0%

